



Mary D. Nichols, Chair
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Re: Cap-and-Trade Auction Proceeds Second Investment Plan Draft Concept

Dear Ms. Nichols,

Thank you for the opportunity to comment on the Cap-and-Trade Auction Proceeds Second Investment Plan Draft Concept Proposal (Investment Plan). The Central Sierra-San Joaquin Valley Partnership focuses on increasing policy advocacy for and awareness of the importance of the central Sierra foothills for generations to come. Our mission is to collaboratively strengthen land and water conservation and management by integrating science, economic and social objectives to support a growing regional population for a healthier future.

We would like to provide comments on several areas of the Investment Plan, particularly spanning the Transportation and Sustainable Communities and Natural Resources and Waste Diversion concepts. Specifically, we propose a new program to fill a gap we perceive in current GGRF investments and we also recommend that ARB direct more support for several existing programs with great greenhouse gas reduction potential.

Building Sustainable Communities - Carbon-Smart Green Infrastructure

The Strategic Growth Council's Affordable Housing and Sustainable Communities program supports housing or transit-oriented development to reduce greenhouse gases but does not lead to the development of complete carbon-smart communities. A multi-benefit green infrastructure approach to community development is missing in the current GGRF expenditure plan, and it is not incentivized under existing programs. These strategies are critical to the long-term sustainability of our state - they will help us meet our 2030 and 2050 climate goals, while tackling other critical statewide issues like the drought.

We propose the development of a new Carbon-Smart Green Infrastructure program as an essential strategy to greening our cities, and incentivizing innovative, carbon-smart development. We need greenhouse gas reduction strategies that are well documented by research. Through innovative development and restoration, these projects reduce greenhouse gases in our communities by providing multiple benefits

– enhancing the tree canopy, lowering VMTs, reducing energy usage from water conveyance and treatment, and decreasing the urban heat island effect. The Investment Plan stresses a need for integrated projects that support energy and transportation solutions, smart growth, and urban forestry within communities (Investment Plan, III.E, p. 5) – a green infrastructure program would cut across GGRF investment areas while catalyzing much needed integration at a local level, incentivizing local jurisdictions to coordinate across agencies for investment decisions and planning. Investments can be targeted toward our disadvantaged communities, where they are needed most.

Recommendation – Create a 4-5% allocated new program for Carbon-Smart Green Infrastructure through the Strategic Growth Council and California Natural Resources Agency.

Recommendations for Enhancing Existing Investments-

1. Increase funding to CALFIRE for urban and rural forest conservation to 7-8%

- The largest vehicle for greenhouse gas reduction through large-scale carbon storage is the management of large tracts of intact forest. The world's forests are estimated to sequester up to 30% of annual global anthropogenic carbon emissions.¹
- In California, approximately 113,000 acres of forest were converted to other uses between 1969 and 1998.²
- Protection of forests with conservation easements, with management to maximize carbon storage, is essential to meeting our greenhouse gas reduction goals.
- There is currently a \$4.2 million allocation to CALFIRE's Forest Legacy program for forestland threatened by conversion. The initial 3-year investment plan does not represent the critical role forest conservation plays in achieving our long-term greenhouse gas reduction goals, and should be increased.
- The current \$15.7 million investment through CALFIRE in urban forestry projects should also be increased.

2. Increase funding for agricultural conservation easements and management incentives to 2%

- Agricultural conservation easements are an essential tool to store carbon, help cities combat sprawl and maintain working lands close to where people live. With careful management, rangelands and cropland

¹ Pan et al. 2011. Science 333, 988–993.

² FRAP Technical Working Paper 1-01-02. California Department of Forestry and Fire Protection.

sequester carbon in soils – through the growth of vegetation and accumulation of organic matter. Appropriate incentives can help landowners achieve these results.

- Agricultural lands provide a myriad of climate and public benefits – food security, jobs, long-term carbon storage in soils, and decrease of greenhouse gas production from long distance commutes and food transportation.
- In California, approximately 40,000 acres of working lands are lost to development and other uses each year³, particularly when close to urban areas with rapid population growth and increasing land value. Moreover, conversions of agricultural land to urban development in California results in a 57 times increase in greenhouse gas emissions per acre of land converted.⁴
- The Strategic Growth Council’s Sustainable Agricultural Lands Conservation Program is insufficiently funded at \$4.75 million annually, and should be increased.

3. Increase and broaden funding for wetland and watershed protection and restoration to 3%

- The ecological and economic benefits of wetlands are well understood. Notably, wetlands have the ability to sequester and store large amounts of carbon over long time periods.⁵
- California has lost 91% of wetlands since the 1780s (compared to 53% for the lower 48 states).⁶
- Protection of wetlands on private land, in combination with restoration, is essential to ensure durability of restoration efforts and to realize the greenhouse gas benefits of wetland conservation.
- The Department of Fish and Wildlife’s Wetlands Restoration for Greenhouse Gas Reduction program funds restoration, but does not enable the permanent protection of wetlands. Funding for this program should be increased and expanded to include conservation easement or fee title acquisition of key watershed and wetland areas for durability.

4. Remove barriers to funding for disadvantaged communities

³ American Farmland Trust. 2009.

⁴ American Farmland Trust. 2015.

⁵ Mitsch et al. 2013. *Landscape Ecology* 28, 583-597.

⁶ Dahl. 1990. US Department of the Interior, USFWS.

- Many GGRF programs are not set up to be user-friendly for communities with fewer resources, less capacity, or experience in applying for highly competitive public funds. The Investment Plan stresses that disadvantaged communities should be able to compete themselves for GGRF funds (III.B, p.4).
- Technical assistance should be provided early in the process to assist applicants in making their projects more competitive. This includes technical support for the required greenhouse gas calculations to ensure broad participation in the program. This will also assist ARB and agencies implementing GGRF programs to ensure consistency with greenhouse gas quantification as well as in gathering defensible, and comparable data across the state.
- Bonus points should be awarded to applications that demonstrate a multiple-benefits strategy focusing on economic, environmental and community benefit;
- Prioritization of qualitative processes to support the success of applicants who need additional direction, information, and technical assistance;
- Incentives for grant applicants to directly engage members of disadvantaged, rural communities in project selection, design, and prioritization.
- The timeline between the NOFA and the concept proposal deadline should be increased to 60 days to provide more lead-time to applicants.
- Funding, through set-asides within GGRF programs, for planning, decision-making tools, and community engagement, with the intent that the planning would lead to projects resulting in greenhouse gas reduction.
- Non-profit organizations should be eligible applicants for these funds – in order to increase the variety of projects that are brought forward and to encourage a greater diversity of partnerships.

Thank you for your consideration of our comments regarding the Cap-and-Trade Auction Proceeds Second Investment Plan Draft Concept. We hope that this funding will adequately address air resource issues at their source – in rural forest management and wetland conservation.

Sincerely,



Sahara Saude-Bigelow
Coordinator
The Central Sierra-San Joaquin Valley Partnership